



# Agenda Report

**TO:** CITY COUNCIL                      **DATE:** MARCH 2, 2009

**FROM:** CITY MANAGER

**SUBJECT:** AUTHORIZATION TO ISSUE A PURCHASE ORDER WITH MJK CONSTRUCTION, INC. TO PROVIDE LABOR AND MATERIALS FOR INSTALLATION, TESTING, AND CERTIFICATION OF PHASE II ENHANCED VAPOR RECOVERY SYSTEM AT FOUR CITY-OWNED FUEL DISPENSING SITES

## **RECOMMENDATION**

It is recommended that the City Council accept the bid dated February 20, 2009, submitted by MJK Construction, Inc. and authorize the Purchasing Administrator to issue a purchase order in an amount not to exceed \$238,416.00 for the installation, testing, and certification of a Phase II Enhanced Vapor Recovery System at four City-owned unleaded fuel dispensing sites.

## **BACKGROUND**

Enhanced Vapor Recovery (EVR) refers to a new generation of equipment that mitigate emissions at unleaded gasoline dispensing facilities. The equipment is designed to collect gasoline vapors that would otherwise escape into the air during fuel deliveries and vehicle refueling. The Air Quality Management District (AQMD) as part of its Vapor Recovery Program required installation of EVR equipment to be completed in two phases. The City of Pasadena successfully completed Phase I of the requirements in 2003. Installation of equipment for Phase II will meet the remaining requirements and bring the City of Pasadena into compliance with the AQMD's Vapor Recovery and Certification Program.

Certification of Phase II must be completed by April 1, 2009. The AQMD has given notice to all unleaded fuel dispensing facilities that after this date, it will be

illegal to operate any fuel dispensing system without the required equipment upgrades and certification. Failure to comply with these requirements may result in fines (yet undetermined by the AQMD) and the non-compliant gasoline dispensing facility will be tagged "OUT OF SERVICE". Four city-owned fuel dispensing sites provide unleaded gasoline and diesel fuel to Pasadena's fleet of vehicles. The availability of fuel and dispensing activity at these sites is critical to the operations of the City.

The Department of Public Works prepared Plans and Specifications for the subject project. In accordance with Section 4.08.070 of the Pasadena Municipal Code, bids have been requested and received. The project was advertised in the Pasadena Journal on February 6, 2009. In addition, the Notice Inviting Bids was listed on the City of Pasadena's Bid Opportunities webpage, and mailed to six potential bidders. Three bidders attended the mandatory job-walk conducted on February 17, 2009. One contractor submitted a bid on February 20, 2009. The bid results are as follows:

<u>BIDDER</u>	<u>AMOUNT</u>
MJK Construction, Inc.	\$216,742.00

Staff estimated the cost for labor, materials and testing to be approximately \$200,000. Information used for the estimate was obtained from phone surveys of contractors certified to install an EVR system.

It is recommended that MJK Construction, Inc. be awarded this project, as the sole responsive and responsible bidder. The award of bid to MJK Construction, Inc. fully complies with the Competitive Bidding and Living Wage Ordinances. The proposed purchase order will be set up as follows:

Base Bid	\$216,742.00
Contingency Allowance	<u>\$ 21,674.00</u>
Contract "Not to Exceed" Amount	\$238,416.00

The installation of the EVR is included in the FY 2009 Capital Improvement Program Budget. The award of bid to MJK Construction, Inc. for \$238,416.00 will cover labor and materials for the installation, testing, and certification of the EVR system.

**FISCAL IMPACT**

Sufficient funds are available in the Capital Improvement Program Budget, Building Preventive Maintenance Projects account #71755.

Respectfully submitted,



---

Michael J. Beck  
City Manager

Prepared by:



---

Holly Imler, Management Analyst  
Building Systems and Fleet Management Division

Approved by:



---

Martin Pastucha  
Director of Public Works